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EUROPE

3. **USSR: Possible shift in Soviet tactics**--US Ambassador Smith reports that a lull in Soviet political comment during the past two weeks may indicate an impending shift in Soviet tactics designed to reassure the west of the "peaceful" intentions of the USSR. Smith refers, in this connection, to reports from Paris of a new Kremlin directive to the French Communist Party calling for a strategy of non-violence in western Europe. (US Ambassador Steinhilber in Prague reports that the Czechoslovak press has abruptly discontinued its strong anti-US propaganda campaign.) Smith warns that the US should not be lulled into a false sense of security but should vigorously pursue its firm policy, build up UN strength, and remind the public of the deceptive Soviet maneuvers which have been used in the past in order to permit the Kremlin to regroup its forces for further aggression.

NEAR EAST-AFRICA

4. **PALESTINE: Increasing Arab pressure for intervention**--US Charge Momminger in Damascus reports that pressure from the Arab press and public for the active intervention of the Arab state armies in the Palestine fighting is growing stronger daily.

(CIA Comment: Jewish military successes, particularly the recent victory at Hattin, will hasten the direct intervention in Palestine of the Arab states. Without active aid from outside, the Jewish forces will be unable to defend themselves indefinitely against the Arab armies.)

5. **IRAQ: UK fears Government's fall**--According to US Ambassador Douglas in London, the British Foreign Office seriously doubts that the present Iraqi Government will last long enough to hold new elections. A Foreign Office spokesman informed Douglas that the Iraqi Government has virtually demanded financial assistance from the UK with the statement that it cannot meet even its 30 April civil and military payrolls.

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The Foreign Office spokesman added, however, that a British loan is unlikely so long as the present "hopeless" Government remains in office. (The Department of State has meanwhile instructed US Ambassador Wadsworth to indicate to the Iraqi Government, in response to its informal request, that it would be difficult for the US to consider assistance for Iraq so long as the Palestine question remains unsettled.)

(CIA Comment: CIA concurs in the view that the situation in Iraq is extremely serious and believes that there is a possibility that civil strife will break out following the probable fall of the Government.)

FAR EAST

6. SIAM: Difficulties for Phibul Government predicted--US Embassy Bangkok reports that while the Phibul Government has received a vote of confidence (70 affirmative, 26 negative, and at least 64 abstentions) the vote indicates that future support in the Parliament is uncertain. The Embassy believes that the Government may be defeated on legislation which must be presented to and passed by Parliament within the next few weeks.

(CIA Comment: CIA concurs with the Embassy's estimate and believes that a legislative defeat may cause Phibul either to dissolve Parliament or to by-pass it and govern by edict through the Supreme State Council.)

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